

Coins

Once-hot \$2 bills get the public cold shoulder

By Roger Boye

THE NEW \$2 bill is in trouble.

It is not being used in retail business and is rarely seen, except in currency collections and at racetracks.

Every Chicago-area bank executive interviewed recently said that after a flurry of interest in April [the bills were put into circulation April 13], there has been almost no demand.

"I'd have to call it a flop by every measure," said Tim Healy, an assistant vice president at Harris Trust and Savings Bank. "Except from collectors and the racetracks, there's been no interest whatsoever in it."

Thousands of coin and currency collectors flocked to banks in April to obtain crisp, uncirculated specimens of the new \$2 bill. By now,

when most collectors have all they want, the \$2 bill should be seen daily in circulation.

Early this year, Treasury Department administrators said the \$2 bill would become a permanent, useful part of the American currency system. The department cited studies purporting to show that by producing \$2 bills, the government could make fewer \$1 bills, thus saving \$34 million in printing costs over the next five years.

Instead, if the present trend continues, the government will lose several million in printing costs, because the \$2 bill will not result in a cutback of \$1 bills needed for circulation.

The Treasury Department also used a Harvard Business School study which clearly indicated that the public would be receptive to the \$2 bill. That, too, has not been the case. Some

Chicago banks say they are having trouble giving the bills away because of:

- Old, lingering superstitions that \$2 bills are bad luck;
- Cash registers which do not have enough slots to accommodate a \$2 bill;
- Complaints that the \$2 bill is easily confused with a \$20 bill; and
- The habit, engraved on the American consciousness, of using two \$1 bills rather than a \$2 bill.

During last March and April, the Chicago Federal Reserve Bank sent \$55 million in \$2 bills to member banks in the district. In May, demand had dropped dramatically, and \$3 million in \$2 bills was distributed. By July, the Chicago Federal Reserve was giving out only \$1.5 million in \$2 bills.